

**Catskill Development, L.L.C., et al. v.
Park Place Entertainment Corporation**

**Ivan Kaufman
Vol. 1, January 31, 2002**

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[1]
[2] UNITED STATES DISTRICT COURT
[3] SOUTHERN DISTRICT OF NEW YORK
[4] CATSKILL DEVELOPMENT, L.L.C.,
[5] MOHAWK MANAGEMENT, L.L.C., AND
[6] MONTICELLO RACEWAY DEVELOPMENT COMPANY, L.L.C.,
[7] Civil Action
[8] Plaintiffs, No. 00 CIV 8600
[9] -against-
[10] PARK PLACE ENTERTAINMENT CORPORATION,
[11] Defendant.
[12] January 31, 2002
[13] 11:10 a.m.
[14] Deposition of IVAN KAUFMAN, taken by
[15] Defendant pursuant to subpoena at the Offices of
[16] Swidler Berlin Shereff Friedman, LLP,
[17] 405 Lexington Avenue, New York, New York, before
[18] Ira J. Goldberg, RPR, a Certified Shorthand
[19] Reporter and Notary Public within and for the
[20] State of New York.
[21]
[22] GREENHOUSE REPORTING, INC.
[23] 363 Seventh Avenue - 20th Floor
[24] New York, New York 10001
[25] (212) 279-5108

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[1] APPEARANCES:
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[12] BY: GEORGE F. CARPINELLO, ESQ.
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[17] BY: ANDREW J. LEVANDER, ESQ.
[18] LOUIS M. SOLOMON, ESQ.
[19]
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[21]
[22]
[23]
[24]
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[1] STIPULATIONS
[2]
[3] IT IS HEREBY STIPULATED AND AGREED,
[4] by and between the attorneys for the
[5] respective parties hereto, that all
[6] objections, except as to form, shall be
[7] reserved to the time of trial.
[8] IT IS FURTHER STIPULATED AND AGREED
[9] that the sealing and filing of the within
[10] deposition are hereby waived.
[11] IT IS FURTHER STIPULATED AND AGREED
[12] that the within deposition may be
[13] subscribed and sworn to by the witness
[14] being examined before a Notary Public
[15] other than the Notary Public before whom
[16] this deposition was begun.
[17]
[18]
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[1] **Kaufman**
[2] by Arthur Goldberg at a meeting.
[3] **MR. CARPINELLO:** I beg to differ.
[4] It is much more than that.
[5] **MR. LEVANDER:** I am quite confident
[6] Mr. Puccio has incorporated by reference
[7] to his action in this case whether or not
[8] there are subcontractors of Anderson Blake
[9] that have or not been paid.
[10] **MR. CARPINELLO:** He has incorporated
[11] your entire complaint into his complaint.
[12] Your client has testified to the souring
[13] of the atmosphere between the Mohawks and
[14] him and he has given an opinion as to the
[15] cause of that, and I am entitled to
[16] explore as to the cause of that.
[17] **MR. LEVANDER:** I am going to let you
[18] answer the question. Ask the question and
[19] let the client answer. But your way out
[20] on extremely thin ice, so let's try to
[21] wrap this thing up.
[22] **Q:** What did President do to try to
[23] resolve those claims?
[24] **A:** We tried to reconcile the difference
[25] between what we paid Anderson Blake and, you

[1] **Kaufman**
[2] **A:** I believe so.
[3] **Q:** To your knowledge has the complaint
[4] been answered?
[5] **A:** I believe so.
[6] **Q:** Has your deposition been taken in
[7] that case?
[8] **A:** I don't, I don't think so.
[9] **Q:** To your knowledge, have any
[10] depositions been taken?
[11] **A:** I don't know.
[12] **Q:** Has there been an exchange of
[13] documents?
[14] **A:** I don't know.
[15] **Q:** Has any claim been made that you
[16] were personally obligated on the Miller &
[17] Schroeder loan to President?
[18] **A:** I don't think so, but I am not
[19] sure.
[20] **Q:** Does President owe any money to
[21] Native American Gaming?
[22] **A:** I don't know.
[23] **Q:** Has Native American made a claim
[24] that funds are owed?
[25] **A:** I don't know.

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[1] **Kaufman**
[2] know, any outstanding claims that these
[3] contractors had to Anderson Blake, by, tried to
[4] do the best we can to mediate what the
[5] differences were.
[6] **Q:** And were you able to mediate their
[7] difference?
[8] **A:** I think it was ongoing. There was
[9] certain dispute, you know, they are offering on
[10] jobs.
[11] **Q:** Did you and Mr. Horn speak to
[12] Mr. Melius about the subcontractors' claims?
[13] **A:** I don't recall.
[14] **Q:** What is the status of President's
[15] obligation to Miller & Schroeder? Is that loan
[16] in default?
[17] **A:** I believe so.
[18] **Q:** And has Miller Schroeder commenced
[19] litigation against President?
[20] **A:** I believe so.
[21] **Q:** What is the status of that
[22] litigation?
[23] **A:** I'm not sure.
[24] **Q:** Well, do you have any knowledge, has
[25] a complaint been filed?

[1] **Kaufman**
[2] **Q:** When you purchased Native American's
[3] interest in President R.C., what were the terms
[4] of the deal?
[5] **MR. LEVANDER:** Again, this is way,
[6] way far from the merits of your claim,
[7] sir. And you are wasting this third
[8] party's time. I don't get it.
[9] **MR. CARPINELLO:** I think we can get
[10] done a lot faster if you don't raise what
[11] I deem to be frivolous objections.
[12] **MR. LEVANDER:** They are not
[13] frivolous, Mr. Carpinello, by any means.
[14] **MR. CARPINELLO:** This is discovery,
[15] I am entitled to inquire.
[16] **MR. LEVANDER:** You are not entitled
[17] to abuse this witness and this
[18] witness's —
[19] **MR. CARPINELLO:** Are you instructing
[20] him not to answer the question?
[21] **MR. LEVANDER:** I am not. But I am
[22] warning you in a question or two we will
[23] be on the phone with the Magistrate to try
[24] to discuss this ridiculous waste of time.
[25] **Q:** What were the terms of your buyout

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<p>[1] Kaufman</p> <p>[2] of Native American's interest in President R.C.?</p> <p>[3] A: I don't recall what the terms are.</p> <p>[4] Q: Do you recall what the purchase</p> <p>[5] price was?</p> <p>[6] A: I think it was around \$5 million.</p> <p>[7] Q: Has that been paid?</p> <p>[8] A: Not all of it.</p> <p>[9] Q: How much is owing?</p> <p>[10] A: I am not sure.</p> <p>[11] Q: Do you have any idea?</p> <p>[12] A: A good percentage of it, I just</p> <p>[13] don't know offhand.</p> <p>[14] Q: Has Native American made any claim</p> <p>[15] to President for the balance?</p> <p>[16] A: I'm not sure.</p> <p>[17] Q: I believe your testimony was that</p> <p>[18] you did not know whether Mr. Melius had an</p> <p>[19] ownership interest in Anderson Blake.</p> <p>[20] MR. LEVANDER: Don't ask him what</p> <p>[21] his testimony was. You want to ask him a</p> <p>[22] question, ask a question.</p> <p>[23] MR. CARPINELLO: Fine.</p> <p>[24] MR. LEVANDER: It is not proper.</p> <p>[25] Q: Do you have any knowledge whether</p>	<p>[1] Kaufman</p> <p>[2] at that while you are taking a break.</p> <p>[3] (Recess taken at 2:31 p.m. until</p> <p>[4] 2:40 p.m.)</p> <p>[5] (Discussion held off the record.)</p> <p>[6] Q: So during the break have you figured</p> <p>[7] out how to answer the obvious question?</p> <p>[8] MR. LEVANDER: I object to that</p> <p>[9] question.</p> <p>[10] A: What's your question?</p> <p>[11] Q: Can you take a look at Paragraph 1</p> <p>[12] of your affidavit. Do you recognize the</p> <p>[13] document?</p> <p>[14] A: Not really.</p> <p>[15] Q: Have you ever seen it before?</p> <p>[16] A: Very briefly.</p> <p>[17] Q: Is that your signature on Page 5?</p> <p>[18] A: I believe so.</p> <p>[19] Q: Is it a declaration signed by you?</p> <p>[20] A: Is this document signed by me?</p> <p>[21] Yes.</p> <p>[22] Q: You declared on Page 5 under</p> <p>[23] penalties of perjury that the foregoing was true</p> <p>[24] and correct.</p> <p>[25] A: Yes.</p>
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<p>[1] Kaufman</p> <p>[2] Mr. Melius has any ownership interest in</p> <p>[3] Anderson Blake?</p> <p>[4] A: No.</p> <p>[5] Q: You have no knowledge?</p> <p>[6] A: I answered your question. No.</p> <p>[7] MR. CARPINELLO: Would you mark this</p> <p>[8] please. I believe that is 145.</p> <p>[9] (Exhibit 145, affidavit of Ivan</p> <p>[10] Kaufman, marked for identification.)</p> <p>[11] Q: Can you take a look, Mr. Kaufman, at</p> <p>[12] Exhibit 145.</p> <p>[13] (Pause in the proceedings.)</p> <p>[14] MR. PUCCIO: Do you have a copy of</p> <p>[15] that for me?</p> <p>[16] MR. CARPINELLO: You know, I am</p> <p>[17] sorry.</p> <p>[18] MR. LEVANDER: I would like to look</p> <p>[19] at it myself.</p> <p>[20] (Further pause in the proceedings.)</p> <p>[21] (Whereupon the witness conferred</p> <p>[22] with counsel.)</p> <p>[23] MR. LEVANDER: We are going to take</p> <p>[24] a quick break.</p> <p>[25] MR. CARPINELLO: Can Mr. Puccio look</p>	<p>[1] Kaufman</p> <p>[2] Q: Is that correct?</p> <p>[3] Is everything stated in this</p> <p>[4] document true and correct?</p> <p>[5] A: Let me just go through the document</p> <p>[6] again.</p> <p>[7] Q: Okay.</p> <p>[8] A: Since I hadn't focused on it, let me</p> <p>[9] go through it.</p> <p>[10] (Pause in the proceedings.)</p> <p>[11] Q: Have you had a chance to review that</p> <p>[12] document?</p> <p>[13] A: Yes, I did.</p> <p>[14] Q: Is everything contained therein true</p> <p>[15] and correct?</p> <p>[16] A: I believe so.</p> <p>[17] Q: I draw your attention to Paragraph 1</p> <p>[18] on the first page, last sentence on the first</p> <p>[19] page, carrying over to the next page, where you</p> <p>[20] say that Anderson Blake Construction Corp.,</p> <p>[21] which is owned by Gary Melius —</p> <p>[22] A: Yes.</p> <p>[23] Q: — was hired under a design and</p> <p>[24] build contract to construct the casino.</p> <p>[25] A: Yes.</p>

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[1] **Kaufman**
[2] **Q:** Is that true?
[3] **A:** I don't have knowledge whether it is
[4] true or not. I did sign this. I didn't pay
[5] much attention to it. I still to this day have
[6] no idea who is the owner or not from a legal
[7] standpoint.
[8] **Q:** But you swore under penalties of
[9] perjury that that statement was true, correct?
[10] **A:** Yes.
[11] **Q:** But you had no knowledge of its
[12] truthfulness, is that what you are testifying
[13] to?
[14] **A:** I have no knowledge as to whether or
[15] not Gary Melius is the actual owner of Anderson
[16] Blake.
[17] **Q:** I take it since you even today have
[18] no knowledge of Mr. Melius's ownership interest
[19] in Anderson Blake, that you never advised either
[20] Clive Cummis or Arthur Goldberg that Mr. Melius
[21] had a ownership interest in Anderson Blake.
[22] **A:** I don't believe I even discussed the
[23] matter with them.
[24] **Q:** So you never advised them of
[25] Mr. Melius's ownership in Anderson Blake?

[1] **Kaufman**
[2] **A:** I believe it was both.
[3] **Q:** When was the oral agreement reached?
[4] **A:** I believe that on November 11th the
[5] agreement was reached with respect to the
[6] agreement between Park Place and President with
[7] respect to the written agreement on November 4th
[8] and there were multiple times when that was
[9] confirmed from November 11th forward with
[10] offices of Park Place.
[11] **Q:** Now, you are referring to the
[12] meeting at Clive Cummis's office?
[13] **A:** That's correct.
[14] **Q:** In New York. Was anyone from the
[15] tribe present at that meeting?
[16] **A:** No.
[17] **Q:** When did the tribe enter into this
[18] tripartite agreement?
[19] **A:** At the end they had, somebody had
[20] suggested that it would be nice to have their
[21] signature on the, on the agreement.
[22] **Q:** When did they enter into this
[23] tripartite agreement —
[24] **A:** Who?
[25] **Q:** — that you are referring to in

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[1] **Kaufman**
[2] **A:** I don't recall.
[3] **Q:** Paragraph 3 states that during 1999
[4] and early 2000 you were involved in discussions
[5] with various entities to secure financial
[6] assistance for the casino or to sell all or a
[7] portion of President's interests in the casino.
[8] Who were the various entities you are describing
[9] in there?
[10] **A:** I don't recall.
[11] **Q:** You recall none of them?
[12] **A:** That's correct.
[13] **Q:** But you recall you did have
[14] conversations with various entities?
[15] **A:** Yes.
[16] **Q:** Paragraph 4, the last sentence
[17] states that the negotiations continued for
[18] months and finally resulted in a tripartite
[19] agreement among President, the tribe and Park
[20] Place. Was that an oral or written agreement?
[21] **A:** Which agreement?
[22] **Q:** The one referred to in the last
[23] sentence of Paragraph 4.
[24] **A:** I believe it was both.
[25] **Q:** Excuse me?

[1] **Kaufman**
[2] Paragraph 4? The tribe.
[3] **A:** Maybe you can repeat the question
[4] for me.
[5] **Q:** When did the tribe enter into the
[6] tripartite agreement that you are referring to
[7] in Paragraph 4?
[8] **A:** I am not, I am not exactly sure.
[9] (Whereupon the witness conferred
[10] with counsel.)
[11] **MR. CARPINELLO:** Are you taking
[12] another break?
[13] **MR. LEVANDER:** Yes. There is no
[14] question pending.
[15] (Pause in the proceedings.)
[16] **Q:** Other than the meetings you have
[17] testified about today have you had any other
[18] meetings with Senator D'Amato? Meetings or
[19] conversations.
[20] **A:** I've talked to him from time to
[21] time.
[22] **Q:** About what?
[23] **A:** I don't recall.
[24] **Q:** You have no recollection of what you
[25] talked to Senator D'Amato about?